4/9/09

Route to JWC ✓
HPB ✓
PGL ✓
RF —
Bingham Mine Bond File — M/049/009
Apex
Wayne ✓

85th Annual Report

of

Chief Consolidated Mining Company

FOR THE YEAR ENDED
DECEMBER
THIRTY-FIRST
NINETEEN HUNDRED
AND NINETY THREE

Including 1993 Annual Report on Form 10-KSB
as filed with the Securities and Exchange Commission

Chief Consolidated Mining Company

General Mining Offices: Eureka, Utah 84628
Executive Offices: 866 Second Avenue, New York, N.Y. 10017

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COMMON STOCK*

	High		Low	
1994 Market Price	**Bid**	**Asked**	**Bid**	**Asked**
First Quarter	$4\frac{5}{8}$	$4\frac{7}{8}$	$3\frac{3}{8}$	$3\frac{5}{8}$
Second Quarter	$4\frac{1}{8}$	$4\frac{1}{2}$	$3\frac{3}{8}$	$3\frac{1}{2}$
1993 Market Price				
First Quarter	$5\frac{1}{4}$	$5\frac{3}{4}$	$3\frac{1}{2}$	$3\frac{3}{4}$
Second Quarter	$5\frac{3}{4}$	6	4	$4\frac{7}{8}$
Third Quarter	$5\frac{3}{4}$	$6\frac{1}{4}$	$3\frac{1}{2}$	$3\frac{7}{8}$
Fourth Quarter	$3\frac{1}{2}$	4	3	$3\frac{3}{8}$
1992 Market Price				
First Quarter	$1\frac{5}{8}$	$1\frac{7}{8}$	$\frac{7}{8}$	$1\frac{1}{16}$
Second Quarter	$1\frac{5}{8}$	$1\frac{7}{8}$	1	$1\frac{1}{4}$
Third Quarter	$1\frac{1}{4}$	$1\frac{1}{2}$	$\frac{3}{4}$	1
Fourth Quarter	$6\frac{3}{8}$	7	1	$1\frac{3}{8}$

*Market Prices—NASDAQ

Chief Consolidated Mining Company common stock is traded on NASDAQ (Ticker Symbol: CFCM) and the Pacific Stock Exchange (Ticker Symbol: CFC).

PREFERRED STOCK

Due to the relatively few shares outstanding (1993—5,653), a price for the preferred stock is no longer quoted on the O-T-C market. The Company maintains an open offer to preferred shareholders to exchange their preferred stock for common stock on a share for share basis.

CHAIRMAN'S LETTER TO SHAREHOLDERS

To Chief's Shareholders:

The transition of your Company into an active operating company is now complete. Chief is moving to expand its current precious and base metal reserves to develop them for mining. Chief also intends to explore and develop additional precious metal reserves in several areas of its 23 square miles of Tintic Mining District properties in Utah. This transformation could only have taken place when your Company regained full control of its East Tintic Mining District properties. This was accomplished on January 1, 1993 when Sunshine Mining Company relinquished its leases after more than three years of litigation that was initiated by Chief.

It is anticipated that exploration and development drilling operations will begin in two areas of Chief's properties during the next month in sections located within the 9,000 acres of your Company's East Tintic Mining District properties and the 5,500 acres of your Company's Main Tintic Mining District properties.

East Tintic Mining District Program

Under Chief's previously announced 50/50 joint venture agreement with Akiko Gold Resources, Ltd., Chief will initiate a drilling program, both from underground and from the surface, to "prove-up", at a minimum, 1.1 million tons of the "indicated reserves" currently identified in the west end of the Burgin Mine. These reserves are projected to thrust northwest towards Chief's Tintic Standard Mine, which was once a major silver producer.

Sunshine Mining Company, Chief's former lessee of the Burgin Mine, expended over $5 million to rehabilitate the Burgin Mine's Apex #2 Shaft and its underground workings in order to enable Sunshine to drill and delineate the Burgin Mine's current proven and probable reserves (1,032,173 tons of ore containing an estimated 24 million ounces of silver, 550 million pounds of lead and 180 million pounds of zinc). These reserve figures were verified by a major independent mining consulting firm retained by Sunshine and were reported by Sunshine in various SEC filings during the period Sunshine held its lease on the Burgin property.

Confirmation of just the current "indicated reserves" through Chief's planned drilling program would effectively double the confirmed one million tons of "proven and probable reserves" to a total of over two million tons of ore containing approximately 50 million ounces of silver, 1.1 billion pounds of lead and 360 million pounds of zinc. Confirmation would also at least double the in-place gross value of Burgin Mine reserves from the current estimated market value of $400,000,000 to a valuation of $800,000,000 due to the expected consistent metal values in the reserves to be upgraded.

Your Company's Burgin and Homansville properties are each included in a March, 1994 joint venture agreement between Chief and Akiko. Under that agreement, Akiko is obligated to pay to Chief a total of $10,140,000. Upon receipt of this amount in full, Chief will grant to Akiko a 50% vested interest in Chief's East Tintic properties. These payments include $4,140,000 for the purchase of 1,035,000 shares of Chief unregistered stock and $6,000,000 representing Akiko's contribution to the joint venture. An initial $140,000 has been received by your Company from Akiko to purchase 35,000 shares of unregistered stock. The balance of $4,000,000 for the purchase of additional Chief unregistered stock is payable to your Company in several installments, the last of which is due by September 1, 1995. Akiko's $6,000,000 contribution to the joint venture is due in installments following full payment by Akiko for Chief's unregistered stock. Under the agreement, any failure by Akiko to make its required payments to Chief would result in Akiko's loss of any future interest in the properties as a joint venturer, however, Akiko would retain the shares of Chief it had previously purchased. For details of your Company's agreement with Akiko, see Item 1, Page 4 of Chief's 1993 SEC Form 10-KSB which is included in its entirety in this report.

Main Tintic Mining District Program

The Main Tintic District consists of 5,500 acres. This area of Chief's property is not included in the joint venture agreement with Akiko. In June, 1994, several investment funds purchased unregistered stock directly from Chief. The proceeds from these stock sales will, in part, be used to provide the funding to enable Chief to proceed with its Plutus Mine gold and silver exploration project located on the Main Tintic properties. Chief's Plutus project is designed to take up where Asarco, Inc. left off at the end of 1984 with Asarco's Plutus orebody exploration and development project. Chief terminated its lease with Asarco when Asarco reported to Chief that it would not proceed with its Plutus project due to budgetary constraints dictated by the low copper prices in effect at that time.

In the initial phase of its work, Asarco expended in excess of $2 million on the Plutus project including the rehabilitation of the Chief #2 Shaft and setting up drill stations for its Plutus orebody drilling program. As a result of benefiting from Asarco's expenditures on the Plutus, it is now feasible for Chief to proceed on its own, at a relatively low cost, with this promising precious metal exploration and development project. The Plutus Mine, until it closed some 40 years ago, had produced the highest gold grades of any Main Tintic District mine.

Actual confirmation of the continuation of the Plutus orebody as projected by Asarco, and now sought by your Company, would give Chief's management several options. The reopening of the Plutus could be financed independently by Chief; the property could be added to Chief's joint venture with Akiko subject to acceptable terms; or the property could be subject to a new joint venture with another mining company. However, if the gold and silver assays should prove to be consistent with prior Plutus orebody grades, Chief's management would likely seek to have Chief finance the reopening of the Plutus Mine on its own.

Other Mining Project Potential

Chief's Homansville Area properties, which are included in Chief's joint venture with Akiko, were the site of three drillholes that were drilled from the surface by Chief during 1993. The highest gold grade encountered, as a part of a significant sized intercept, was a five foot segment which assayed at 0.19 ounces of gold per ton. When these drilling results are considered in conjunction with the many gold mineralized surface drillholes in the area drilled by Kennecott Corporation, a premise can be drawn that present drill information indicates the possible existence of one or more gold orebodies. Chief is now considering various options regarding the separate funding of the Homansville gold project.

In addition to the Burgin and Homansville properties, there are additional gold and silver/lead/zinc exploration and development targets on both the East Tintic District joint venture properties as well as the Main Tintic District properties. These include the Ballpark deposit, the Zone "A" deposit and the Burgin Mine gold area in the East Tintic District and the Chief ore-run in the Main Tintic District. Any or all of these areas will be carefully examined and, if economically feasible, eventually exploited for their mineral potential.

Surface Real Estate Development

Chief's fee ownership of 14,500 acres of property is highly significant from two aspects. The concerns presently overhanging much of the mining industry regarding the proposed revisions by Congress of the 1872 Mining Act are not shared by your Company. Chief owns its properties outright and therefore will be exempt from the payment of royalties to the U.S. Government. Also, Chief will not be subject to any other proposed restrictive provisions covering U.S. Government "unpatented claims" property. Full ownership of both the surface and underground has given Chief the opportunity to move to take advantage of the high industrial and residential growth rate currently taking place in Utah. Out of Chief's 14,500 acres of property, an estimated 6,000 acres represent potentially attractive, buildable surface real estate. Your management is continuing its efforts, working with Utah Power Company and others, to develop several areas of surface real estate in the Eureka Valley. The buildable surface properties are all located in the Main Tintic District and are not part of the Akiko joint venture properties. Recent sales by Chief of small parcels of surface real estate, the largest of which was two acres, have been at prices from $7,500 to $10,000 per acre.

If the influx of industry and population into Utah continues, your management believes that Chief's real estate potential could prove to be a major source of future revenues. It is important to note that no dollar value is placed on the surface properties on your Company's Balance Sheet.

The combined cash and U.S. Treasury Bill balance of $1,317,968 reflected on the June 30, 1994 unaudited Balance Sheet of Chief, (presented on the next pages of this report) includes the receipt of the initial $140,000 obligation from Akiko. It does not include the $2,000,000 that is due from Akiko within the next several months under the present agreement.

The continuing strong support from Chief's shareholders, both large and small, through these past several years of litigation has been very much appreciated by your management. We believe that both present and future prospects for Chief, as owner of an important piece of western United States real estate, offer great promise.

Leonard Weitz

Leonard Weitz
Chairman and Chief Executive Officer
July 7, 1994

CHIEF CONSOLIDATED MINING COMPANY
AND CONSOLIDATED SUBSIDIARIES

BALANCE SHEET
June 30, 1994
(Unaudited)

ASSETS

CURRENT ASSETS:	
Cash	$ 125,196
U.S. Treasury Bills at cost which approximates market value	1,192,772
Accounts receivable	825
Total Current Assets	1,318,793
INVESTMENTS IN AFFILIATES:	
Common Stock—at equity	$ 78,345
Advances	18,550
Total Investments	96,895
FIXED ASSETS—At Cost:	
Plant and Equipment	$ 474
Mining claims and property (less accumulated depletion: $1,927,799)	2,235,479
Fixed Assets—Net	2,235,953
OTHER ASSETS	$ 8,122
TOTAL	$3,659,763

CHIEF CONSOLIDATED MINING COMPANY
AND CONSOLIDATED SUBSIDIARIES

BALANCE SHEET
June 30, 1994
(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts Payable and accrued expenses	$ 27,820
MINORITY INTEREST	42,288
SHAREHOLDER'S EQUITY:	
Preferred stock-nonassessable (authorized, 1,500,000 shares of $.50 par value each; issued 5,655 shares, held in treasury—2 shares; outstanding 5,653 shares)	2,826
Common stock-nonassessable (authorized, 20,000,000 shares of $.50 par value each; issued 4,251,214 shares, held in treasury—16,441 shares; outstanding 4,234,773 shares;	2,117,387
Capital Surplus	5,784,182
Deficit	(4,314,740)
Total shareholders' equity	3,589,655
TOTAL	$ 3,659,763

Chief Consolidated Mining Company
1993 Form 10-KSB Report

This report to shareholders includes a complete copy of Chief Consolidated Mining Company's 1993 Form 10-KSB Annual Report to the Securities and Exchange Commission which contains among other information, a description of the Corporation's business, a discussion and analysis of financial condition and results of operations and financial statements. The Form 10-KSB report is included because of the similarity of the information required to be contained in the annual reports to shareholders and to the Securities and Exchange Commission, and in the interest of providing broad disclosure of the activities of Chief to those interested in its affairs. The report on Form 10-KSB has been neither approved nor disapproved by the Securities and Exchange Commission nor has the SEC passed upon its accuracy or adequacy.

Index to Form 10-KSB

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-KSB

OMB Approval
OMB Number:
Expires: Approval Pending

(Mark One)

☒ Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934 (Fee required)

For the fiscal year ended December 31, 1993

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 (No Fee required)

For the transition period from ____________ to ____________

Commission file number 1-1761

Chief Consolidated Mining Company
(Name of Small Business Issuer in Its Charter)

Arizona	87-0122295
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
866 Second Avenue, New York, New York	10017
(Address of Principal Executive Offices)	(Zip Code)

(212) 688-8130
(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act::

Title of Each Class	Name of Each Exchange on which Registered
Common stock, $0.50 par value	NASDAQ Small-Cap Market
	Pacific Stock Exchange

Securities registered under Section 12(g) of the Exchange Act:

None
(Title of Class)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes___X_____No__________

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendments to this Form 10-KSB.___X___

State issuer's revenues for its most recent fiscal year. $44,130

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.) $15,845,585 as of March 17, 1994

Note: If determining whether a person is an affiliate will involve an unreasonable effort and expense, the issuer may calculate the aggregate market value of the common equity held by non-affiliates on the basis of reasonable assumptions, if the assumptions are stated.

ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

Yes ________ No ________

APPLICABLE ONLY TO CORPORATE REGISTRANTS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding at March 17, 1994
Common Stock, $0.50 par value	3,728,373

DOCUMENTS INCORPORATED BY REFERENCE

If the following documents are incorporated by reference; briefly describe them and identify the part of the Form 10-KSB (e.g., Part 1, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for the fiscal year ended December 24, 1990).

PART I

Item 1. Description of Business.

GENERAL

The Registrant, a Corporation formed under the laws of Arizona in 1909, is the owner of approximately 14,500 acres of patented mining ground in the Tintic Mining District, Juab and Utah Counties, Utah. The Registrant also owns unpatented mining claims covering approximately 500 acres in the vicinity of its patented properties. The Registrant holds stock interests in other companies owning mining properties, all of which are consolidated or unconsolidated subsidiaries of the Registrant.

The Registrant's mining office is located at Eureka, Juab County, Utah 84628. Its executive office is located at 866 Second Avenue, New York, N.Y. 10017. Registrant has a total of four employees, including one employee at the site of Registrant's properties in Utah.

TERMINATION OF MINING LEASES

During the period January 1, 1991 through December 31, 1992, Registrant had leased mining rights under a fifty-year lease covering 1,387 acres ("Burgin Lease") to Sunshine Mining Company ("Sunshine"). During that time period, Registrant was also co-lessor under a Unit Lease to Sunshine ("Unit Lease") covering a total of 7,311 acres, 5,050 acres of which are owned by Registrant. No ores were mined by Sunshine under the Burgin Lease. Sunshine did conduct mining activities on the property of a co-lessor at the Trixie Mine under the Unit Lease from January, 1991 through October, 1992.

Both the Burgin Lease and the Unit Lease were terminated as of December 31, 1992 as part of the discontinuance of Registrant's lawsuits against Sunshine on November 13, 1992.

Registrant also had received royalties from the sale of waste dump materials from its unleased properties to North Lily Mining Company during the period May, 1991 through March, 1993. The dump materials sold were utilized by North Lily in its gold heap leaching operations, however, sales of waste dumps materials were terminated by North Lily in November, 1992.

EFFECT OF TERMINATION OF BURGIN LEASE AND UNIT LEASE

As stated above, the Burgin Lease and the Unit Lease were each terminated effective December 31, 1992. No advance royalties or earned royalties were received by Registrant in 1993. Registrant had received advance royalties of $100,000 in 1992 under the Burgin Lease and earned royalties of $92,854, during the year 1992 under the Unit Lease. Registrant entered the year 1994 without any material source of income. See "Agreement With AKIKO Gold Resources Ltd.," below, and "Item 6. Management's Discussion and Analysis or Plan of Operation."

AGREEMENT WITH AKIKO GOLD RESOURCES LTD.

On March 11, 1994, Registrant entered into a written agreement with AKIKO Gold Resources Ltd. ("AKIKO"), a Canadian corporation, providing for the creation of a joint venture for the development of Registrant's East Tintic Mining District properties in Utah and the purchase by AKIKO from Registrant of 1,035,000 shares of Registrant's common stock over a period of 1-1/2 years at a price of $4 per share. Included in the joint venture are Registrant's Burgin Mine property and its Homansville area gold project. Registrant will provide the funds for the initial stages of development work out of proceeds from the sale of its stock to AKIKO.

AKIKO will initially purchase 35,000 shares of Registrant's common stock and an additional 1,000,000 shares will be purchased in two private placements of 500,000 shares each on September 1, 1994 and September 1, 1995.

The agreement provides for AKIKO to have the right to discontinue this agreement at various stages through August 31, 1996, in which event AKIKO would surrender all its interests in the joint venture properties. Registrant will be the operator under the agreement with AKIKO during the initial phase of the project, the main thrust of which will be to "prove up" the indicated reserves by underground and surface drilling. The work to increase the reserves is expected to commence in the Fall of 1994.

Current ore reserves of the Burgin Mine are estimated as follows:

	Tons of Ore	Ounces of Silver	Tons of Lead	Tons of Zinc
Proven and Probable Reserves[1]	1,032,173	23,903,536	275,090	90,189
Indicated Reserves	1,100,000			

(1) The weighted average ore grades are 23.16 ounces per ton silver, 26.65% lead and 8.75% zinc. Mining dilution is estimated at 22%, and metallurgical recoveries are estimated at, silver 83%, lead 81% and zinc 68%.

The area containing these reserves is readily accessible through the Burgin Mine's Apex #2 Shaft. This Shaft was rehabilitated by Sunshine prior to the termination of the Burgin Lease and is fully operational.

The current proven and probable reserves of 1,032,173 tons of the Burgin Mine have, at current metals prices, an estimated in-place gross value of approximately $400 million. After AKIKO has completed its purchase of the 1,035,000 shares of Chief's stock, AKIKO will become the operator for the development and mining of the Burgin Mine under the joint venture agreement. AKIKO will then be obligated to contribute an additional $6,000,000 in cash to the joint venture between September 1, 1996 and August 31, 1998, at which time Registrant and AKIKO will each own a vested 50% interest in the properties comprising the joint venture. AKIKO will, at that time, have expended a total of $10,140,000 towards the purchase of Registrant's stock and in contributions to the joint venture.

The joint venture agreement provides that AKIKO's contribution of $6,000,000 would be used to rehabilitate the ore concentrator (located on joint venture property) and to conduct exploration and development on the Burgin Mine and gold targets. If the joint venture is successful in its development and exploration work, the joint venture would seek additional funding to bring the Burgin Mine into production.

In addition to the Burgin Mine, which is primarily a silver and base metal mine, the joint venture properties will include Registrant's Homansville area gold project, where prior surface drilling results showed positive gold ore indications. The joint venture properties do not include Registrant's Main Tintic District properties; however, contingent upon further exploration by Registrant of its Plutus Mine gold project in the Main Tintic District, the mineral rights in the Main Tintic District would be subject to inclusion in the joint venture.

There are presently issued and outstanding, 3,728,373 shares of Registrant's common stock, which would increase to 4,763,373 shares upon AKIKO's having purchased all the shares of Registrant's stock provided for in the agreement.

Registrant's agreement with AKIKO is subject to the approval of the board of directors of AKIKO. In addition, AKIKO will seek the approval of the transactions provided for under the agreement by the appropriate Canadian authorities. AKIKO has also indicated that its stock purchases and cash contributions required under the joint venture agreement are subject to additional financing by AKIKO.

Item 2. Description of Property.

See "Item 1. Description of Business." for acreage owned by Registrant in the Tintic Mining District, Utah. As is also set forth in said Item 1, control of 1,387 acres ("Burgin Mine property") that had formerly comprised the Burgin Lease was returned to Registrant when the Burgin Lease with Sunshine was terminated effective December 31, 1992. An additional 5,050 acres that was part of the Unit Lease was also returned to Registrant when the Unit Lease was terminated on December 31, 1992. Thus, immediately prior to entering into an agreement with AKIKO, Registrant held 8,450 acres in the East Tintic Mining District of Utah free of any leases, including an additional 2,013 acres that were included in the original Unit Lease, but were severed from the Unit Lease and returned to Registrant in October, 1982. The Burgin Mine property includes the Burgin Mine that was operated by Kennecott Corporation, as lessee ("Kennecott") from 1966 to 1978, a concentrating mill and various other buildings and support facilities that were built by Kennecott on Registrant's property.

Sunshine leased the mining rights to the Burgin Mine property from Registrant in 1980 and, while the Burgin Lease was in effect, performed both surface and underground exploration, drilling and development activities that resulted in the delineation of the current proven and probable ore reserves of the Burgin Mine. See "Item 1. Description of Business - Agreement with AKIKO Gold Resources Ltd." for table of proven and probable ore reserves of the Burgin Mine as reported in Sunshine's Securities and Exchange Commission filing on Form 10-K for its fiscal year ended December 31, 1991.

As a result of Registrant's agreements with Sunshine dated November 13, 1992 and the termination of the Burgin Lease thereunder effective December 31, 1992, all of the assets and improvements built by Kennecott and Sunshine on the Burgin Mine property, as well as the ore bodies described above, were owned and controlled by Registrant effective January 1, 1993. In addition, under the November 13, 1992 agreements, Registrant received certain real property, equipment and other personal property from Sunshine.

On March 11, 1994, Registrant entered into an agreement with AKIKO providing for a joint venture for the development of Registrant's East Tintic Mining properties, including the Burgin Mine. The joint venture's primary goal will be to bring the Burgin Mine back into production. See "Item 1. Business - Agreement With AKIKO Gold Resources Ltd. " for description of the agreement.

In addition to the aforementioned 8,450 acres owned by Registrant in the East Tintic Mining District, Registrant owns approximately 6,000 acres in the Main Tintic District. Registrant is continuing its efforts to lease or joint venture underground mining rights to its Main Tintic District properties for exploration and development. Registrant is also moving forward with its efforts to sell surface rights of its level acreage in the district for possible industrial and/or residential development by a purchaser.

Under the terms of Registrant's leases with Sunshine that were in effect during 1992, Sunshine was obligated to comply with all Federal, state and local environmental laws and regulations affecting the mining industry. Under Registrant's agreement with AKIKO, both Registrant and AKIKO would become liable for all environmental aspects of any future operations on the joint venture's properties.

Under a prior agreement between Registrant and South Standard Mining Company ("South Standard"), Registrant's former co-lessor under the Unit Lease, the joint venture will be obligated to pay South Standard 1.7% of the net smelter returns of the joint venture.

South Standard is obligated to pay to Registrant 54.67% of any future lease royalties earned from properties owned by South Standard that had comprised a part of the Unit Lease; or if South Standard enters into a joint venture instead of a lease for such properties, that joint venture will pay Registrant 4.1% of the net smelter returns of the joint venture.

Registrant holds approximately 500 acres of unpatented mining claims on properties owned by the U.S. Government, none of which are located in the proximity of the Burgin Mine or Registrant's old mines in the Main Tintic District. Therefore, there is no significant impact upon Registrant from the proposed revisions to the 1872 Mining Act by the U.S. Congress. Under the proposed legislation, significant revisions to the 1872 Mining Act that would impact holders of unpatented mining claims include a proposed gross percentage royalty payable to the U.S. Government on minerals produced. There is no royalty provision in effect at this time for production from unpatented U.S. Government owned property. Registrant's approximately 14,500 acres comprising its Burgin Property, Main Tintic District property and additional East Tintic District property are owned outright by Registrant and would not be affected by the proposed 1872 Mining Act revisions.

Item 3. Legal Proceedings.

None

Item 4. Submission of Matters to a Vote of Security Holders.

A Special Meeting in lieu of Annual Meeting of Registrant's shareholders was held on December 10, 1993. The proposals voted upon at the meeting and the results of such voting were as follows:

(1) Election of directors to serve for the ensuing year and until their successors are duly elected and qualified:

Management's slate of Directors elected: Name of Directors	Votes Cast For*	Votes Withheld- Individuals	Broker Non-Votes
Leonard Weitz	3,205,428	32,749	185,210
James Callery	3,245,930	32,248	185,210
Michael F.K. Carter	3,245,429	32,748	185,210
A. Paul Mogensen	3,245,935	32,243	185,210
Edward R. Schwartz	3,245,901	32,777	185,210

(* Cumulative voting for Directors)

(2) Amendment to Registrant's Certificate of Incorporation to authorize increase in the number of shares of common stock from 5,000,000 to 20,000,000 shares:
Proposal (2) approved by shareholders:

Votes Cast For**	Votes Against	Abstentions Individuals	Broker Non-Votes
3,001,723	209,622	-	303,874

(3) Proposal to (i) replace outstanding nonqualified stock options held by; certain directors and officers of Registrant and (ii) approve and ratify new nonqualified stock options granted to two directors and to an employee of Registrant. Proposal (3) not approved by shareholders:

Votes Cast For**	Votes Against	Abstentions Individuals	Broker Non-Votes
1,642,607	195,713	-	1,600,734

(4) Proposal to approve the selection of the firm of Deloitte & Touche as auditors for Registrant for 1994. Proposal (4) approved by shareholders:

Votes Cast For**	Votes Against	Abstentions Individuals	Broker Non-Votes
3,241,169	15,684	-	231,122

** The affirmative vote of the holders of a majority of the shares entitled to vote at the meeting was required to approve each of Proposals 2 and 3. The affirmative vote of the majority of shares represented at the meeting was required to approve Proposal 4.

PART II

Item 5. Market for Common Equity and Related Shareholder Matters.

The principal markets on which Registrant's shares of common stock are traded are the NASDAQ Small-Cap Market under the symbol CFCM and the Pacific Stock Exchange under symbol CFC.

High and low sales prices of Registrant's common stock on the Pacific Stock Exchange for each quarterly period during the past two years are as follows:

1993 Market Price	High	Low
First Quarter	5-1/2	3-3/4
Second Quarter	5-7/8	4-1/4
Third Quarter	6	3-1/2
Fourth Quarter	3-7/8	3

1992 Market Price	High	Low
First Quarter	1-7/8	1
Second Quarter	1-5/8	1
Third Quarter	1-3/8	15/16
Fourth Quarter	6-3/4	1-1/8

Approximate number of holders of record of Registrant's common stock as of March 17, 1994 - 2,200.

No cash dividends were declared during the years 1992 and 1993.

Item 6. Management's Discussion and Analysis or Plan of Operation.

(a) PLAN OF OPERATION

Registrant had no revenues from operations during the year 1993 or during the period January 1, 1994 to March 17, 1994. Registrant's revenues in 1993 were limited to $617 in royalties received from North Lily on the latter's sales during 1992 of dump waste material and $43,513 of revenues from miscellaneous sources.

Due to the termination of the Burgin Lease and the Unit Lease effective December 31, 1992, Registrant did not receive any royalties from Sunshine in 1993. See "Item 1. Description of Business-Termination of Mining Leases."

Registrant's net loss for 1993 was $725,758 as compared to a net loss of $167,255 for 1992. The increase of $558,503 in the loss for 1993 was due primarily to the following: cessation of the receipt of any royalty income from Sunshine in 1993; exploratory surface drilling conducted by Registrant on its Main Tintic properties in 1993 (at a cost of $115,043) and the issuance by Registrant of shares of its common stock in 1993 in payment of legal fees and disbursements to its former litigation counsel in connection with Registrant's lawsuits against Sunshine that were terminated in 1992.

On March 11, 1994, Registrant entered into an agreement with AKIKO providing for the creation of a joint venture and the sale by Registrant of a total of 1,035,000 shares of its common stock to AKIKO in private placement transactions over a period of 1-1/2 years at a price of $4 per share. Registrant has received $40,000 from AKIKO in payment of 10,000 of the shares and it is anticipated that Registrant will shortly receive from AKIKO $100,000 in payment of the purchase price for 25,000 shares. The remaining 1,000,000 shares will be purchased by AKIKO in two purchases of 500,000 shares each on September 1, 1994 and September 1, 1995, respectively. See "Item 1. Description of Business-Agreement with AKIKO GOLD RESOURCES LTD."

So long as AKIKO obtains financing (assuming all required approvals have been obtained), Registrant will receive from AKIKO $2,000,000 on September 1, 1994 from the sale of 500,000 shares of Registrant's common stock, with an additional $2,000,000 to be received by Registrant from AKIKO on September 1, 1995 from the sale of the second 500,000 shares.

As of March 17, 1994, Registrant had $152,000 in cash and equivalents available to pay its operating and overhead expenses. If Registrant receives the above-mentioned $2,140,000 from AKIKO by September 1, 1994, Registrant will have sufficient funds to meet its cash requirements through December 31, 1995.

In the event that AKIKO does not obtain the necessary approvals of its agreement with Registrant, or if AKIKO is unable to obtain sufficient financing to make the first $2,000,000 payment to Registrant to purchase 500,000 shares on September 1, 1994, then in such event Registrant's liquid assets would be limited to the remaining portion of the $152,000 that was on hand at March 17, 1994 and the $40,000 subsequently received from AKIKO on the purchase of 10,000 shares (or $292,000 if AKIKO had already made the purchase of 25,000 shares for $100,000). Such liquid assets would be insufficient for Registrant to pay its operating and overhead expenses through the end of 1994. In such event, Registrant would seek to raise additional funds by entering into a new joint venture arrangement with another mining company, or through additional private placements of its shares of common stock and other financing means.

Registrant's agreement with AKIKO also provides that if AKIKO terminates the agreement in the future, all stock purchases made by AKIKO prior to such termination would not be affected and Registrant would not be required to return any portion of the sales proceeds to AKIKO.

Item 7. Financial Statements.

Consolidated Balance Sheet at December 31, 1993.

Statements of Consolidated Operations for the Years Ended December 31, 1993 and 1992

Statements of Consolidated Cash Flows for the Years Ended December 31, 1993 and 1992

Statements of changes in Shareholders' Equity for the Years Ended December 31, 1993 and 1992.

Notes to Consolidated Financial Statements.

Schedules:

I - Marketable Securities - Other Security Investments, December 31, 1993.

V - Property, Plant and Equipment for the Years Ended December 31, 1993 and 1992.

VI- Accumulated Depreciation and Depletion of Property, Plant and Equipment for the Years Ended December 31, 1993 and 1992.

Schedules not listed are omitted because of the absence of conditions under which they are required or because the information required is shown in the financial statements or in the note thereto.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

The name and age of each of the Registrant's directors and executive officers and the positions and offices with the Registrant held by him are:

Names of Registrant's Directors and Executive Officers	Age	Offices with Registrant	Term During Which Served in Office
Leonard Weitz (1)	64	Director; Chairman of the Board and Chief Executive Officer	Director since 1967.
A. Paul Mogensen (1)	60	Director; President and Chief Operating Officer	Director since 1993.
Edward R. Schwartz (1)	83	Director; Secretary-Treasurer	Director since 1974.
James Callery (1)	56	Director	Director since 1980.
Michael F. K. Carter (1)	53	Director	Director since 1988.

(1) Elected to serve as a director for the ensuing year and until his successor is duly elected and qualified at the meeting of shareholders held on December 10, 1993.

The following is a brief account of the business experience during the past five years of each director and executive officer named above:

Leonard Weitz	President and Chairman of Registrant from 1971 to December 31, 1993. Chairman and Chief Executive Officer of Registrant since January 1, 1994.

A. Paul Mogensen	President and Chief Operating Officer of Registrant since January 1, 1994. Geologist employed in management position at Goldfield Mining Company from prior to 1988 to February, 1992 (Manager - Special Projects 1988 and 1989; General Manager North American Exploration 1990 to February, 1992); independent mining and geological consultant since March, 1992.
Edward R. Schwartz	Secretary and Treasurer of Registrant (Since 1979); independent consultant since prior to 1989.
James Callery	Engaged in management of oil and gas, forestry, agriculture and other investments since prior to 1989; Member of Board of Directors of Lomas & Nettleton Mortgage Investors (a real estate investment trust) since prior to 1989.
Michael F. K. Carter	Managing Director, First Hungarian investment Advisory Rt. since January, 1993; independent consultant from February, 1990 to December, 1992; Managing Director - North America, of First Toronto Mining Corporation (a merchant banking corporation) from January, 1988 to January, 1990.

Registrant is not aware of any person who, at any time during the year 1993 was a director, officer or beneficial owner of more than 10 percent of Registrant's common stock who failed to file on a timely basis, reports required by Section 16(a) during 1993 or prior years.

Item 10. Executive Compensation.

The following information is presented concerning the compensation of Leonard Weitz who served as President and Chairman of Registrant for each of the Registrant's last three completed fiscal years. Mr. Weitz has served as Chairman and Chief Executive Officer of Registrant since January 1, 1994.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation Salary (1)	Long-Term Compensation Awards - Options	All Other Compensation
Leonard Weitz	1993	$125,000	-	-
(as President	1992	$125,000	-	-
and Chairman)	1991	$125,000	-	$42,500 (2)

(1) Mr. Weitz is employed through September 30, 1996 under an employment agreement with Registrant dated January 4, 1988. Under the employment agreement, Mr. Weitz served as President and Chairman of the Company through December 31, 1993; effective January 1, 1994, he became Chairman and Chief Executive Officer. Mr. Weitz will receive an annual salary of $125,000 during the remainder of his employment agreement. (See note (2), below.) In addition to his annual salary, Mr. Weitz will be entitled under his employment agreement to incentive compensation equal to 2% of Registrant's pre-tax earnings in excess of $1,000,000 (exclusive of extraordinary items and sales of property) during each of the calendar years 1994 to 1996 (pro-rated for 1996); however, incentive compensation may not exceed the amount of his base salary for the subject year. Mr. Weitz may also receive during the term of his employment such bonuses as may be determined by the Registrant's Board of Directors.

(2) On June 24, 1991, Mr. Weitz entered into an agreement with Registrant whereunder Mr. Weitz agreed to waive $5,000 annual salary increases to which he would otherwise be entitled under his employment agreement with Registrant, in exchange for which Registrant canceled a $42,500 note payable by Mr. Weitz to Registrant that would otherwise have been due on September 21, 1991. Mr. Weitz's annual salary under his employment agreement that expires September 30, 1996 will be $125,000 per annum, after giving effect to Mr. Weitz having waived the $5,000 annual salary increase, as aforesaid. On a cumulative basis, Mr. Weitz will have waived a total of $75,000 in salary over the years 1991 to 1996 when his employment agreement expires on September 30, 1996.

The following table provides information as to the value of options held by Leonard Weitz, Chairman and Chief Executive Officer of Registrant, at December 31, 1993, measured in terms of the closing price of Registrant's common stock on the Pacific Stock Exchange on December 31, 1993. Mr. Weitz did not exercise any options in 1993.

Name	Number of Shares Subject to Unexercised Options at December 31, 1993	Value of Unexercised In-The-Money Options at Year End (1)
Leonard Weitz	40,000 (2)	$35,000
	10,000 (3)	-0- (4)
	20,000 (3)	-0- (4)

(1) Valued at $3.375 per share.
(2) Incentive Stock Option under Registrant's Incentive Stock Option Plan.
(3) Nonqualified stock option.
(4) Exercise price exceeds market value of common stock on December 31, 1993.

Compensation of Directors

Leonard Weitz, Chairman of the Board and Chief Executive Officer of Registrant, is employed through September 30, 1996 under an employment agreement dated January 4, 1988. See "Item

10. Executive Compensation - Summary Compensation Table" for further details concerning Mr. Weitz's employment agreement.

A. Paul Mogensen, a director and President and Chief Operating Officer of Registrant, is employed by Registrant under an arrangement whereby Mr. Mogensen is compensated based upon the time devoted by him to the affairs of Registrant in his capacity as an officer. Accordingly, no projection can be made at this time by Registrant as to the amount of compensation Mr. Mogensen will receive during the year 1994.

Each director who is not an officer of Registrant receives an annual retainer of $1,200 and an attendance fee of $100 for each board meeting attended. Edward R. Schwartz, the Secretary-Treasurer of Registrant, who is a director, does not receive a salary; he receives fees at twice the rate as directors who are not officers of Registrant.

No stock options were granted to directors of Registrant during the year 1993 and no director exercised in 1993 any stock options held by him. Registrant has never issued any stock appreciation rights to its officers and directors.

Item 11.Security Ownership of Certain Beneficial Owners and Management.

(a) The following table shows as of March 17, 1994, stock ownership of all persons known to management to be beneficial owners of more than 5% of the common stock of the Registrant:

Name and Address of Beneficial Owners	Amount and Nature of Beneficial Ownership	Percentage of Class
William E. Simon c/o William E. Simon & Sons Inc. 310 South Street, CN 1913 Morristown, N.J. 07960	338,600 shares (1)	9.1%

(1) Includes 219,300 shares that William E. Simon has the right to acquire under options issued by the Registrant.

(b) The equity securities of the Registrant beneficially owned by all directors and by directors and officers of the Registrant as a group, as of March 17, 1994, are:

Title of Class	Name & Address of Beneficial Owner	Amount and Nature of Beneficial Ownership*	Percent of Class
Common Stock, $0.50 par value:	James Callery RD #2, Box 2750 Charlotte, Vermont 05445	98,468 (1)(2)	2.6%
	Michael F. K. Carter Budapest XII Csabu u. 30 1122 Hungary	30,000(3)	0.8
	A. Paul Mogensen 28757 Clover Lane Evergreen, Colorado 80439	2,500 (4)	0.1
	Edward R. Schwartz 1165 Park Avenue New York, NewYork 10128	55,100 (5)(6)	1.5
	Leonard Weitz 11 Longview Lane Chappaqua, New York 10514	95,010 (7)(8)	2.5
	Owned by all directors and officers as a group	281,078 (9)	7.2
Preferred Stock, $0.50 par value:	None		

* Each director has sole voting and investment power with respect to shares owned.

(1) Does not include an aggregate of 10,500 shares owned by James Callery's wife and children, in which shares James Callery disclaims any beneficial interest.

(2) Includes nonqualified stock options to purchase 50,000 shares held by James Callery.

(3) Includes 5,000 shares owned by a corporation in which Michael F. K. Carter has a 50% interest and nonqualified stock options to purchase 25,000 shares held by Michael F. K. Carter.

(4) Comprised of 2,500 shares owned in joint names of A. Paul Mogensen and his wife.

(5) Does not include 1,700 shares owned by a trust in which Edward R. Schwartz is an income beneficiary with possible right of invasion of trust principal. Also does not include 200

shares owned by Edward R. Schwartz's wife, in which shares Edward R. Schwartz disclaims any beneficial interest.

(6) Includes incentive stock options to purchase 20,000 shares issued under Registrant's Incentive Stock Option Plan and nonqualified stock options to purchase 30,000 shares held by Edward R. Schwartz.

(7) Does not include 21,500 shares owned by Leonard Weitz's wife, in which shares Leonard Weitz disclaims any beneficial interest.

(8) Includes incentive stock options to purchase 40,000 shares issued under Registrant's Incentive Stock Option plan and nonqualified stock options to purchase 30,000 shares held by Leonard Weitz.

(9) Includes options to purchase an aggregate of 195,000 shares as referred to at Notes (2), (3), (6) and (8) above. Each of said options is exercisable by the optionee in whole or in part at any time until the expiration date of the option.

Item 12. Certain Relationships and Related Transactions.

None.

Item 13. Exhibits and Reports on Form 8-K.

(a) Description of Exhibits required to be filed by Item 601 of Regulation S-B

(The numbers shown below next to each exhibit are keyed to Exhibit Table of Item 601 of Regulation S-B)

"(2)" Not applicable

"(3)" Articles of Incorporation and By-Laws:

Registrant hereby incorporates by reference the Articles of Incorporation and By-Laws previously filed with the Commission.

"(4)" Not applicable.

"(9)" Not applicable.

"(10)" Material Contracts:

A. AKIKO Agreement - Agreement (in form of a Letter Agreement) dated March 11, 1994 between Registrant and AKIKO Gold Resources Ltd., a copy of which is annexed hereto as Exhibit "A".

B. Sunshine Lease - Mining Lease and Agreement dated October 15, 1980 between Registrant and Sunshine Mining Company: Registrant hereby incorporates by reference the Sunshine Lease Agreement dated October 15, 1980, copies of which were filed with the Commission by Registrant as part of its Form 8-K Report dated October 22, 1980. The Sunshine Lease was terminated effective December 31, 1992. (See document "J" below.)

C. Unit Lease - Leases and Unit Agreement of August 29, 1956 by and between Registrant and other co-lessors, as lessors, and Bear Creek Mining Company, as Lessee.
Amendments to Unit Lease:
July 5, 1968
January 1, 1972
March 14, 1977
June 16, 1978
October 26, 1982
Registrant hereby incorporates by reference the Unit Lease and each of the Amendments set forth above, copies of which were filed with the Commission by Registrant as part of its 10-K Reports as follows: Amendments 1968 through 1978 - 1980 10-K Report; October 26, 1982 Amendment - 1982 10-K Report. The Unit Lease was terminated effective December 31, 1992. (See document "I", below.)

D. Agreement dated October 1, 1982 between registrant and its co-lessors under the Unit Lease. Registrant hereby incorporates by reference the said Agreement, a copy of which was filed with the Commission by Registrant as part of its 1982 10-K Report.

E. Agreement (signed by Registrant March 25, 1983) between Registrant, its co-lessors under the Unit Lease, and Kennecott. Registrant hereby incorporates by reference the said agreement, a copy of which was filed with the Commission by Registrant as part of its 1983 10-K Report.

F. Agreement (signed by Registrant on August 15, 1989) between Registrant and South Standard, its co-lessor under the Unit Lease, a copy of which was filed with the commission as part of its 1989 10-K Report.

G. Amendment to agreement (signed by Registrant on July 7, 1990) between Registrant and South Standard, its co-lessor under the Unit Lease, a copy of which was filed with the Commission as part of its 1989 10-K Report.

H. Agreement (signed by Registrant on February 5, 1991) between Registrant and North Lily Mining Company, a copy of which was filed with the Commission by Registrant as part of its 1990 10-K report.

I. Agreement dated as of November 13, 1992 between HMC Mining Inc., Sunshine Precious Metals, Inc., and Sunshine Mining Company (collectively "Sunshine Group"), and Chief Consolidated Mining Company and South Standard Mining Company (with Exhibits annexed, except for those Exhibits previously filed by Registrant with the Securities and Exchange Commission) a copy of which was filed with the Commission by Registrant as part of its September 30, 1992 10-Q Report.

J. Agreement dated as of November 13, 1992 between HMC Mining Inc., Sunshine Precious Metals, Inc., and Sunshine Mining Company (collectively "Sunshine Group"), and Chief Consolidated Mining Company (with Exhibits annexed, except for those Exhibits previously filed by Registrant with the Securities and Exchange Commission) a copy of which was filed with the Commission by Registrant as part of its September 30, 1992 10-Q Report.

"(11)" Not applicable.
"(13)" 1993 Annual Report not yet furnished to security holders as of filing date of this Report.
"(16)" Not applicable.
"(18)" Not applicable.
"(21)" Not applicable.
"(22)" Not applicable.
"(23)" Not applicable.
"(24)" Not applicable.
"(27)" Not applicable.
"(28)" Not applicable.
"(99)" Not applicable.

(b) Reports filed on Form 8-K:
None

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Chief Consolidated Mining Company
(Registrant)

By /s/ Leonard Weitz
(Signature and Title)
Leonard Weitz
Chairman of the Board of Directors,
President and Principal Executive Office

Date March 30, 1994

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By /s/ Edward R. Schwartz
(Signature and Title)
Edward R. Schwartz
Director, Treasurer,
Principal Financial Officer and
Principal Accounting Officer

Date March 30, 1994

By /s/ James Callery
(Signature and Title)
James Callery
Director

Date March 30, 1994

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Touche

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of Chief Consolidated Mining Company:

We have audited the accompanying consolidated balance sheet of Chief Consolidated Mining Company and its subsidiaries as of December 31, 1993 and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the two years in the period ended December 31, 1993. Our audits also included the financial statement schedules listed in the index at Item 7. These financial statements and the financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Chief Consolidated Mining Company and its subsidiaries at December 31, 1993 and the results of their operations and their cash flows for each of the two years in the period ended December 31, 1993 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company continues to have no source of operating income, which raises substantial doubt about the Company's ability to continue as a going concern.

In the event that the Company's common stock is not purchased under an existing written agreement and unless the Company were successful in raising funds from other sources, the Company would not have sufficient funds to meet its operating and overhead expenses through calendar 1994. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Deloitte + Touche

March 25, 1994

CHIEF CONSOLIDATED MINING COMPANY
AND CONSOLIDATED SUBSIDIARIES

Balance Sheet
December 31, 1993

ASSETS

Current Assets:		
Cash and cash equivalents	$ 21,591	
US Treasury Bills at cost which approximates market value (Schedule I)	209,171	
Accounts receivable	3,060	
Total Current Assets		233,822
Investment in Affiliate:		
Common stock - at equity (Note 1)	68,545	
Advances	18,150	
Total Investments		86,695
Fixed Assets- At cost (Note 1 and Schedules V and VI):		
Machinery and equipment	474	
Mining claims and property (less accumulated depletion of $1,927,799)	2,235,479	
Fixed Assets - Net		$ 2,235,953
Other Assets		3,222
Total		$ 2,559,692

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities - Accounts payable and accrued expenses		$ 37,790
Minority Interest		42,288
Shareholders' Equity- (Notes 2 and 3):		
Preferred stock - non assessable (authorized, 1,500,000 shares of $.50 par value each, 5,655 shares issued; held in Treasury 2 shares; outstanding 5,653 shares)	2,827	
Common Stock - Non assessable (authorized, 20,000,000 shares of $.50 par value each, 3,744,814 shares issued; held in Treasury 16,441 shares; outstanding 3,728,373 shares)	1,864,186	
Capital Surplus	4,713,694	
Deficit	(4,101,093)	
Total Shareholders' Equity		2,479,614
Total		$ 2,559,692

See notes to Consolidated Financial Statements.

CHIEF CONSOLIDATED MINING COMPANY

AND CONSOLIDATED SUBSIDIARIES

Statements of Consolidated Operations

for the Years Ended December 31, 1993 and 1992

	1993	1992
Revenue:		
Royalties	$ 3,034	$299,976
Interest	8,639	11,171
Other	32,457	
Total	44,130	311,147
Expenses:		
General and administrative	485,693	374,149
Litigation (Note 7)	139,750	55,049
Exploration drilling costs (Note 8)	115,043	-
Royalties	-	22,667
Taxes other than income taxes	29,402	26,537
Total	769,888	478,402
Net Loss	$725,758	$167,255
Loss Per Share (Note 5)	$.20	$.05
Weighted Average Number of Shares Outstanding	3,660,826	3,516,176

See notes to Consolidated Financial Statements.

CHIEF CONSOLIDATED MINING COMPANY

AND CONSOLIDATED SUBSIDIARIES

Statements of Consolidated Cash Flows

for the Years Ended December 31, 1993 and 1992

	1993	1992
Cash Flows From Operating Activities:		
Net Loss	$(725,758)	$(167,255)
Adjustments to reconcile net loss to net cash used in operating activities:		
Legal fees satisfied by issuance of common stock	139,750	-
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable	47,059	(7,046)
Increase in accounts payable and accrued expenses	9,409	5,121
Net cash used by operating activities	(529,540)	(169,180)
Cash Flows From Investing Activities:		
(Increase) decrease in US Treasury Bills	(114)	139,432
Advances to affiliates	(2,000)	-
Increase in minority interest	-	(2,182)
Net cash (used) provided by investing activities	(2,114)	137,250
Cash Flows From Financing Activities:		
Issuance of Common Stock	525,000	50,000
Net (Decrease) Increase in Cash	**(6,654)**	**18,070**
Cash and Cash Equivalents at Beginning of Year	**28,245**	**10,175**
Cash and Cash Equivalents at End of Year	**$ 21,591**	**$ 28,245**

See notes to Consolidated Financial Statements.

CHIEF CONSOLIDATED MINING COMPANY

AND CONSOLIDATED SUBSIDIARIES

Statements of Shareholders' Equity

for the Years Ended December 31, 1993 and 1992

	Preferred Stock		Common Stock			
	Number of Shares	Amount	Number of Shares	Amount	Capital Surplus	Deficit
Balance January 1, 1992	**7,401**	**$3,701**	**3,458,775**	**$1,729,387**	**$4,132,869**	**($3,208,080)**
Exchange of Common Stock for Preferred Stock	(1,748)	(874)	1,748	874		
Issuance of Common Stock			50,000	25,000	25,000	
Net Loss	—	—	—	—	—	(167,255)
Balance December 31, 1992	**5,653**	**2,827**	**3,510,523**	**1,755,261**	**4,157,869**	**(3,375,335)**
Issuance of Common Stock			217,850	108,925	555,825	
Net Loss	—	—	—	—	—	(725,758)
Balance December 31, 1993	**5,653**	**$2,827**	**3,728,373**	**$1,864,186**	**$4,713,694**	**$ (4,101,093)**

See notes to Consolidated Financial Statements.

CHIEF CONSOLIDATED MINING COMPANY

AND CONSOLIDATED SUBSIDIARIES

Notes to Consolidated Financial Statements

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1. **Summary of Significant Accounting Policies**

Principles of Consolidation

Chief Consolidated Mining Company (the "Company") is a corporation formed under the laws of Arizona. The accompanying consolidated financial statements include the accounts of the Company and all majority owned subsidiaries. Investments in which the Company's interest is 50% or less and where it is deemed that the Company's ownership gives it significant influence, are accounted for by the equity method.

Going Concern and Management's Plans

The Company had no material source of income during the 1993 year or during the period January 1, 1994 to March 17, 1994. Notwithstanding, on March 11, 1994, the Company entered into a written agreement with AKIKO Gold Resources Ltd. ("AKIKO") providing for the creation of a joint venture and the sale by the Company of a total of 1,035,000 shares of its common stock to AKIKO in private placement transactions over a period of 1-1/2 years at a price of $4 per share, conditional on various approvals and financing.

The agreement provides for AKIKO to have the right to discontinue the agreement at various stages through August 31, 1996, in which event AKIKO would surrender all its interests in the joint venture properties. See "Item 1. Description of Business" and "Item 6. Management's Discussion and Analysis or Plan of Operation."

Based upon the successful completion of the September 1, 1994 private placement under the terms of the agreement, the Company is expected to have sufficient funds to support its future working capital requirements. However, in the event that the joint venture is not consummated, the Company would not have sufficient liquid assets to pay its operating and overhead expenses through the end of 1994. In such event, the Company intends to fund its working capital requirements by entering into a new joint venture arrangement with another mining company or by raising funds from the sale of its stock through private placement transactions.

Statement of Cash Flows

Cash and cash equivalents represent liquid investments with original maturities of less than 90 days.

During 1993 and 1992, the Company paid no interest or income taxes.

Income Taxes

The Company files a consolidated federal income tax return. Deferred income taxes are accounted for in accordance with Financial Accounting Standards Board Statement ("FASB") No. 109, "Accounting for Income Taxes".

Postemployment Benefits

During November 1992, the FASB issued Statement No. 112, "Employers' Accounting for Postemployment Benefits," effective for fiscal years beginning after December 15, 1993. Adoption of this statement is not expected to have any effect on the Company's financial position or results of operations.

Fixed Assets

The Company is the owner of approximately 14,500 acres of patented mining ground in the Tintic Mining District, Juab and Utah Counties, Utah and unpatented mining claims covering approximately 500 acres in the vicinity of its patented properties. The Company had leased mining rights to 1,387 acres of its patented mining ground to Sunshine Mining Company ("Sunshine"), which included the Burgin Mine property. Such lease was terminated on December 31, 1992.

Depletion and Depreciation

No mineral depletion provisions have been made subsequent to July 15, 1978 as a result of the termination of mining from the Burgin Mine and the removal of the Burgin Mine from its lease.

Provision for depreciation of machinery and equipment has been computed at various straight-line rates, ranging from 3 to 20 years, based on the estimated useful lives of the assets.

2. Capital Structure

The Board of Directors of the Company has authorized the issuance, at the stockholders' option, of common stock in exchange for preferred stock on a share-for-share basis. The preferred shares obtained in the exchange have been retired.

The shares of preferred stock and common stock of the Company are equal in the right to receive dividends, to vote, and in all other respects except that upon liquidation the preferred shares are entitled to a preferential payment of $.50 per share.

3. Stock Option Plans

In June, 1982, the shareholders approved an Incentive Stock Option Plan (the "Plan") for key employees which would provide for the Board of Directors to grant options to purchase up to 100,000 shares of the Company's common stock, with a maximum grant to purchase 40,000 shares for each key employee. The option price for the shares under option shall be not less than 100 percent of the market price of the stock at the date of grant.

The shareholders have approved the issuance of nonqualified stock options to key employees and directors. The nonqualified options may be exercised within ten years from the date of grant, but only so long as the optionee continues to be a director or officer of the Company.

At December 31, 1993 and 1992, the following options were outstanding:

	Options	Exercise Price
Incentive Stock Options	60,000	$ 2.500
Nonqualified Stock Options	30,000	5.125
	80,000	5.625
	25,000	4.375

4. Income Taxes

Net operating loss carryforwards are available for Federal income tax purposes for fifteen years from the year of loss, in the following approximate amounts:

Year of Loss	Amount
1978	$ 76,200
1979	19,900
1980	80,100
1983	161,500
1984	246,800
1985	192,800
1986	274,300
1987	189,300
1988	138,600
1989	267,200
1990	409,172
1991	248,772
1992	167,255
1993	725,758
Total	$3,197,657

5. Loss Per Share

Loss per share amounts are based on the weighted average number of shares of preferred and common stock outstanding during each year. No effect has been given to shares under option in the computation of loss per share because they would be antidilutive to the computation.

6. Lease Commitment

Rent expense for office space amounted to approximately $18,654 and $23,298 for 1993 and 1992, respectively.

The minimum rental commitments under noncancellable leases consists of:

1994	$18,483
1995	6,160

7. Litigation

The Company was a plaintiff in lawsuits described in "Item 3. - Legal Proceedings." of the Securities and Exchange Commission Filing on Form 10-KSB for the year ended December 31, 1992.

By agreement between the parties to the lawsuits, the lawsuits were discontinued, with prejudice, on November 13, 1992.

The Company, in settlement of legal fees and disbursements claimed to be due by its former litigation counsel in connection with a lawsuit instituted by the Company in 1989 and settled on November 13, 1992 (as discussed above), issued 32,100 shares of its common stock in full payment of legal fees and disbursements claimed.

8. Exploration Drilling Costs

During the year ended December 31, 1993, the Company conducted exploratory surface drilling at a cost of $115,043. The drilling was conducted in order to gain additional geological information about previous gold intercepts of the Company's Homansville area properties.

Schedule I

CHIEF CONSOLIDATED MINING COMPANY

AND CONSOLIDATED SUBSIDIARIES

Marketable Securities - Other Security Investments

December 31, 1993

Name and Issuer and the Title of Each Issue:	United States Government - Treasury Bills
Principal amount of bills and number of common shares:	$210,000
Cost of each issue:	$209,171
Market Value of each issue at balance sheet date:	$209,813
Amount at which each portfolio of equity security issues and each other security issue carried in the balance sheet:	$209,171

Schedule V

CHIEF CONSOLIDATED MINING COMPANY

AND CONSOLIDATED SUBSIDIARIES

Property, Plant and Equipment

For the Years Ended December 31, 1993 and 1992

	Balance at Beginning of Year	Additions	Retirements or Sales	Balance at End of Year
1992				
Machinery and Equipment	$ 16,538	$ -	$ 16,064	$ 474
Building	38,618	-	38,618	-
Total:	$ 55,156	$ -	$ 54,682	$ 474
Mining claims and property (1)	$4,163,278	$ -	$ -	$ 4,163,278
1993				
Machinery and Equipment	$ 474	$ -	$ -	$ 474
Mining claims and property (1)	$4,163,278	$ -	$ -	$ 4,163,278

(1) Included in mining claims and property are capitalized development costs in the amount of $326,090.

Schedule VI

CHIEF CONSOLIDATED MINING COMPANY

AND CONSOLIDATED SUBSIDIARIES

Accumulated Depreciation and Depletion of

Property, Plant and Equipment

For the Years Ended December 31, 1993 and 1992

	Balance at Beginning of Year	Additions	Retirements or Sales	Balance at End of Year
1992				
Accumulated depreciation:				
Machinery and Equipment	$ 31,563	$- -	$ 13,563	$ - -
Building	41,119	- -	41,119	- -
Total:	$ 54,682	$- -	$ 54,682	$ - -
Accumulated depletion - mining claims and property	$1,927,799	$- -	$ - -	$1,927,799
1993				
Accumulated depletion - mining claims	$1,927,799	$- -	$ - -	$1,927,799

BOARD OF DIRECTORS

James Callery
Investments (Principally Oil, Gas and Farming)

A. Paul Mogensen
President and Chief Operating Officer of Chief, Consulting Geologist

Edward R. Schwartz
Treasurer and Secretary of Chief; Sales Consultant

Leonard Weitz
Chairman of the Board and Chief Executive Officer of Chief

Executive Officers

Leonard Weitz
Chairman of the Board and Chief Executive Officer

A. Paul Mogensen
President and Chief Operating Officer

Edward R. Schwartz
Treasurer and Secretary

Manager Mining Properties

Adren Underwood

TRANSFER AGENT & REGISTRAR

FIRST INTERSTATE BANK OF CALIFORNIA
26610 West Agoura Road
Calabasas, California 91302

AUDITORS

Deloitte & Touche
One World Trade Center
New York, N.Y. 10048

ANNUAL MEETING OF SHAREHOLDERS

The 1994 meeting of shareholders will be held later this year. Shareholders will receive notice and proxy material prior to the meeting.